



**U.S. Department of the Interior
Office of Inspector General**

AUDIT REPORT

**DEPARTMENT OF THE INTERIOR
COMPLIANCE WITH LIMITATIONS
ON LOBBYING ACTIVITIES**

**REPORT NO. 95-I-457
FEBRUARY 1995**



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20240

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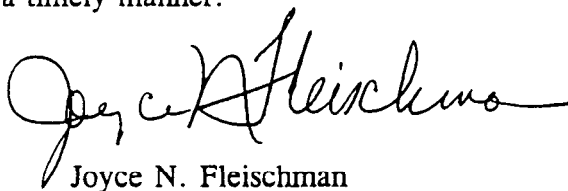
MEMORANDUM

TO: The Secretary

FROM: Acting Inspector General

SUBJECT SUMMARY: Final Audit Report for Your Information - "Department of the Interior Compliance With Limitations on Lobbying Activities" (No. 95-I-457)

DISCUSSION: We concluded that the Department of the Interior was in substantial compliance with the antilobbying provisions of Section 1352 of the United States Code and that the Section's requirements as implemented by the Department were effective. We also found that the Department complied with the Congressional reporting requirements for lobbying activities in a timely manner.



Joyce N. Fleischman

Attachment

Prepared by: Marvin Pierce
Extension: 208-4252



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Headquarters Audits
1550 Wilson Boulevard
Suite 401
Arlington, VA 22209

FEB 10 1995

MEMORANDUM AUDIT REPORT

To: Assistant Secretary - Policy, Management and Budget

From: Acting Assistant Inspector General for Audits

Subject: Final Audit Report on Department of the Interior Compliance With Limitations on Lobbying Activities (No. 95-1-457)

INTRODUCTION

In accordance with Section 1352 of the United States Code (31 U.S.C. 1352 (d)(1)), the Office of Inspector General has reviewed Department of the Interior compliance with and the effectiveness of the requirements imposed by the Section and the Department's antilobbying guidance. The objectives of the audit were to determine whether the Department complied with Section 1352 and to evaluate the effectiveness of the Section's requirements for certification and disclosure of lobbying activities. We concluded that overall the Department has substantially complied with the Section's requirements and that the requirements as implemented by the Department were effective.

BACKGROUND

Section 319 of Public Law 101-121, enacted on October 23, 1989, amended Title 31 of the United States Code by adding Section 1352, "Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions." Section 1352 prohibits the use of appropriated funds by the recipient of a Federal contract, grant, cooperative agreement, or loan to pay any person for influencing or attempting to influence an officer or employee of any agency, a member of the Congress, an officer or employee of the Congress, or an employee of a member of the Congress in connection with certain types of Federal transactions. The Department of the Interior requires each person who requests or receives a contract or a cooperative agreement exceeding \$100,000 or a loan over \$150,000 from the Department to certify compliance with this antilobbying provision with a signed certification, Form DI 1963, "Certification Regarding Lobbying." Subpart 3.808 of the Federal Acquisition Regulation (48 CFR 1) requires the provision at 52.203-11, "Certification and Disclosure Regarding Payments to

Influence Certain Federal Transactions,” to be included in all solicitations for contracts expected to exceed \$100,000 and clause 52.203-12, “Limitation on Payments to Influence Certain Federal Transactions,” to be included in all solicitations and contracts expected to exceed \$100,000.

Any person who requests or receives a Federal contract, grant, or cooperative agreement exceeding \$100,000 or loan exceeding \$150,000 who uses nonappropriated funds for lobbying activities is required to disclose those activities by filing Standard Form LLL, “Disclosure of Lobbying Activities,” with the Department. The Department is required to collect and compile any information contained in Standard Form LLL disclosing lobbying activities paid for by any nonappropriated funds during the 6-month periods ending March 31 and September 30 of each year and to report the information to the Secretary of the Senate and the Clerk of the House of Representatives on May 31 and November 30 for the applicable reporting periods.

Title 31, Section 1352(d)(1), of the United States Code requires that the Inspector General submit to the Congress annually an evaluation of the Department’s compliance with and the effectiveness of the requirements imposed by Section 1352.

SCOPE OF AUDIT

To accomplish our audit, we reviewed 486 contracts, grants, and cooperative agreements each totaling more than \$100,000 that were awarded from April 1, 1993, through March 31, 1994. We did not review loans over \$150,000 because such transactions occur infrequently within the Department and none of the audit sites selected for review had recorded loan transactions that exceeded this amount.

This compliance and performance audit was conducted from July through November 1994 at various Departmental and bureau offices (see Appendix 1). The review was made, as applicable, in accordance with the “Government Auditing Standards,” issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances. As a part of our review, we evaluated the Departmental system of internal controls for certification and disclosure of lobbying activities. Although we determined that the existing controls were adequate, we identified a few instances where the bureaus did not adhere to prescribed procedures and Departmental guidance.

We also reviewed the Department’s Annual Statement and Report, required by the Federal Managers’ Financial Integrity Act, for fiscal year 1993 and noted that the existence of incomplete and inaccurate data in the Interior Procurement Data System was reported as a material internal control weakness. Because of this weakness, we used additional sources, including the Federal Assistance Award Data System and internal bureau procurement logs, to select our audit samples.

PRIOR AUDIT COVERAGE

Our prior report entitled “Department of the Interior Compliance With Limitations on Lobbying Activities” (No. 94-I-474), issued on March 31, 1994, concluded that the Department was not in compliance with Section 1352 of the United States Code because (1) 22 percent of the contract, grant, and cooperative agreement files reviewed did not contain the required antilobbying certifications and (2) Congressional reporting requirements were not met in a timely manner. The three recommendations in the report have been implemented.

RESULTS OF AUDIT

We concluded that the Department of the Interior was in substantial compliance with the antilobbying provisions of Section 1352 of the United States Code and that the Section’s requirements as implemented by the Department were effective. We found that the required certifications or contract clauses were included in 468 (96 percent) of the 486 contract, grant, and cooperative agreement files we reviewed (see Appendix 2). We also found that the Department complied with the Congressional reporting requirements for lobbying activities in a timely manner.

Certification Requirements

We found that the bureaus had incorporated the required antilobbying provision 52.203.11 or clause 52.203-12 in 264 (96 percent) of the 274 contract files we reviewed. We also found that 204 (96 percent) of the 212 grant and cooperative agreement files contained the required Form DI 1963. This compliance rate represents a substantial improvement since our last audit, which found that only 78 percent of the contracts, grants, and cooperative agreements reviewed were in compliance.

Each of the offices where instances of noncompliance were identified had controls and procedures for ensuring compliance with requirements concerning lobbying. Most of the exceptions we noted were isolated instances except for those at the National Park Service’s National Capital Region, where 5 of 18 contracts were not in compliance, and the Office of Territorial and International Affairs, where 3 of 15 grants were not in compliance. Officials at those two offices indicated that corrective action would be taken to ensure future compliance with Section 1352 requirements. In addition, the bureaus took action during the audit to obtain Forms DI 1963 or to incorporate the required certifications for the 18 contracts, grants, and cooperative agreements that were not in compliance (see Appendix 2).

Congressional Reporting Requirements

We found that the Department had complied with the Congressional reporting requirements for lobbying activities in a timely manner. Title 31, Section 1352(a)(6)(A), of the United States Code requires each agency to report information concerning disclosures of lobbying activities paid for with nonappropriated funds by May 31 and November 30 of each year for the 6-month reporting periods ending March 31 and September 30, respectively. The required Departmental reports to the Congress were dated May 26 and November 29, 1994, respectively.

Effectiveness of Section 1352

We believe that the primary mechanism for preventing the use of appropriated funds for lobbying activities by recipients of Federal contracts, grants, cooperative agreements, and loans is to adequately inform all recipients of the Federal antilobbying provisions. As discussed in the Certification Requirements section of this report, we found that the Department adequately provided such antilobbying information in its contracts, grants, and cooperative agreements. We also determined that there were no HOTLINE allegations or referrals to the Office of Inspector General concerning prohibited lobbying activities during our audit period. In addition, we found that procurement personnel at the offices visited during our audit were unaware of any circumstances regarding the use of Federal appropriated funds for lobbying activities.

Based on our conclusion that the Department is in substantial compliance with Section 1352 and our determination that no instances of noncompliance with the Section's requirements were reported, we believe that the requirements of Section 1352 as implemented by the Department were effective.

Since this report does not contain any recommendations, no response to the report is required.


Marvin Pierce *for*

cc: Assistant Secretary - Territorial and International Affairs
Commissioner, Bureau of Reclamation
Deputy to the Assistant Secretary - Operations,
Bureau of Indian Affairs
Director, Bureau of Land Management
Director, Office of Surface Mining Reclamation
and Enforcement
Director, National Park Service

Director, Minerals Management Service
Director, U.S. Bureau of Mines
Director, U.S. Fish and Wildlife Service
Director, U.S. Geological Survey
Director, Office of Acquisition and Property Management

OFFICES VISITED

<u>Office</u>	<u>Location</u>
<u>Bureau of Indian Affairs</u>	
Procurement and Contracts Branch	Sacramento, California
<u>Bureau of Land Management</u>	
Washington Branch of Procurements	Washington, D.C.
Denver Service Center,	
Branch of Procurement	Lakewood, Colorado
Branch of Information Resource Acquisition	Lakewood, Colorado
<u>Bureau of Reclamation</u>	
Acquisition and Assistance Division	Sacramento, California
Administrative Service Center, Acquisition	
and Property Management Branch	Lakewood, Colorado
<u>Minerals Management Service</u>	
Procurement and Property Management Division	Herndon, Virginia
Western Administrative Service Center,	
Procurement and Contracts Branch	Golden, Colorado
<u>National Park Service</u>	
Contracting and Procurement Division	Washington, D.C.
Harpers Ferry Center	Harpers Ferry, West Virginia
National Capital Regional Office	Washington, D.C.
Mid-Atlantic Regional Office	Philadelphia, Pennsylvania
Denver Service Center,	
Contract Administration Division	Lakewood, Colorado
Rocky Mountain Regional Office	Lakewood, Colorado

Office of Policy, Management and Budget

Office of Acquisition and Property
Management

Washington, D.C.

Office of Administrative Services,
Branch of Acquisition Services

Washington, D.C.

Office of Surface Mining Reclamation and Enforcement

Office of Acquisition and Property Management
Western Support Center,
Administrative Services Division
Program Support Division

Pittsburgh, Pennsylvania

Denver, Colorado

Denver, Colorado

Office of Territorial and International Affairs

Division of Budget and Grants Management

Washington, D.C.

U.S. Bureau of Mines

Branch of Procurement
Branch of Procurement

Pittsburgh, Pennsylvania

Lakewood, Colorado

U.S. Fish and Wildlife Service

Division of Contracting and General Services
Division of Contracting and General Services,
Region 6
Construction Contracting Office,
Denver Service Center

Arlington, Virginia

Lakewood, Colorado

Lakewood, Colorado

U.S. Geological Survey

Office of Procurement and Contracts
Procurement and Contracts Branch

Reston, Virginia

Lakewood, Colorado

**SUMMARY OF CONTRACTS, COOPERATIVE AGREEMENTS,
AND GRANTS REVIEWED FOR COMPLIANCE WITH
LIMITATIONS ON LOBBYING ACTIVITIES**

Bureau	Total Actions		Contracts		Cooperative Agreements/Grants	
	Reviewed	Not in Compliance	Reviewed	Not in Compliance	Reviewed	Not in Compliance
Bureau of Indian Affairs	6	0	0	0	6	0
Bureau of Land Management	23	0	23	0	0	0
Bureau of Reclamation	44	1	34	0	10	1
Minerals Management Service	40	0	25	0	15	0
National Park Service	58	9	76	7	82	2
Office of Policy, Management and Budget	15	1	14	1	1	0
Office of Surface Mining Reclamation and Enforcement	26	1	15	1	11	0
Office of Territorial and International Affairs	15	3	0	0	15	3
U.S. Bureau of Mines	18	0	14	0	4	0
U.S. Fish and Wildlife Service	81	3	24	1	57	2
U.S. Geological Survey	60	0	49	0	11	0
Total	486	18	274	10	212	8

**ILLEGAL OR WASTEFUL ACTIVITIES
SHOULD BE REPORTED TO
THE OFFICE OF INSPECTOR GENERAL BY:**

Sending written documents to:

Calling:

Within the Continental United States

U.S. Department of the Interior
Office of Inspector General
P.O. Box 1593
Arlington, Virginia 22210

Our 24-hour
Telephone HOTLINE
1-800-424-5081 or
(703) 235-9399

TDD for the hearing impaired
(703) 235-9403 or
1-800-354-0996

Outside the Continental United States

Caribbean Area

U.S. Department of the Interior
Office of Inspector General
Caribbean Region
Federal Building & Courthouse
Veterans Drive, Room 207
St. Thomas, Virgin Islands 00802

(809) 774-8300

North Pacific Region

U.S. Department of the Interior
Office of Inspector General
North Pacific Region
238 Archbishop F.C. Flores Street
Suite 807, PDN Building
Agana, Guam 96910

(700) 550-7279 or
COMM 9-011-671-472-7279

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Arlington, Virginia 22210

